

Service Date: October 15, 2004

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF ENERGY WEST)	UTILITY DIVISION
MONTANA, Application for Approval of)	
Increased Rate for Natural Gas Service in the)	DOCKET NO. D2004.3.46
Great Falls Area)	ORDER NO. 6603a
)	
)	

STIPULATED INTERIM ORDER

Background

On March 26, 2004, Energy West Montana – Great Falls (EWM-GF) filed a general rate application for approval of rate schedules that would result in, under normal weather conditions, increased revenues of \$1,124,996.

Along with the application was an application for Interim Relief in the amount of \$1,124,996, and a Motion for Waiver of minimum filing requirements for rate design.

Findings of Fact

On September 29, 2004, the Montana Consumer Counsel (MCC) and EWM-GF reached a stipulated agreement (Attached) for an increase in revenues of \$536,209. This results in a uniform percentage increase of 8%. Residential customer charges will increase to \$6.58 from the present \$6.09. The first block volumetric rate increased to \$0.11850/ccf and the second block volumetric rate will increase to \$0.08559/ccf. Depending on gas costs the total average impact to residential customers is expected to be an increase of 1.99% or \$13.69.

MCC and EWM-GF agreed upon a 57.65% / 42.35% debt to equity structure. Debt cost was agreed to be 8.2% and equity costs were agreed to be 10.27%. This is an overall Return on Rate Base of 9.08%.

The parties agree that for purposes of the interim approval the rates will be adjusted on a uniform basis, including both customer charge and non-gas commodity rates, and there will be

no increase allocated to the Negotiated Contract Customers. Those customers include Malmstrom Air Force Base and Montana Refining Company.

CONCLUSIONS OF LAW

EWM-GF provides natural gas service within the State of Montana and as such is a “public utility” within the meaning of § 69-3-101, MCA.

The Montana Public Service Commission properly exercises jurisdiction over the EWM-GF rates and operations pursuant to Title 69, Chapter 3, MCA.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

EWM-GF is authorized to increase rates on an annual basis by \$536,209.

EWM-GF shall adhere to and abide by all Findings of Fact in this Order. All rate schedules shall comply with all determinations set forth in this Order.

EWM-GF shall file tariffs reflecting the implementation of the Stipulation and Agreement effective for service on and after November 1, 2004.

DONE IN OPEN SESSION at Helena, Montana on this 14th day of October, 2004, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.